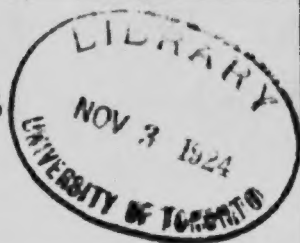


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ADDRESSES



BY

P. W. ELLIS,

President of the Canadian Manufacturers' Association
1900-1901,

AND BY

C. J. ALEXANDER,

Ex-President of the South of Scotland
Chamber of Commerce,

BEFORE THE

Thirtieth Annual Meeting of the Canadian Manufacturers'
Association, at Montreal, Tuesday evening,
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TORONTO:
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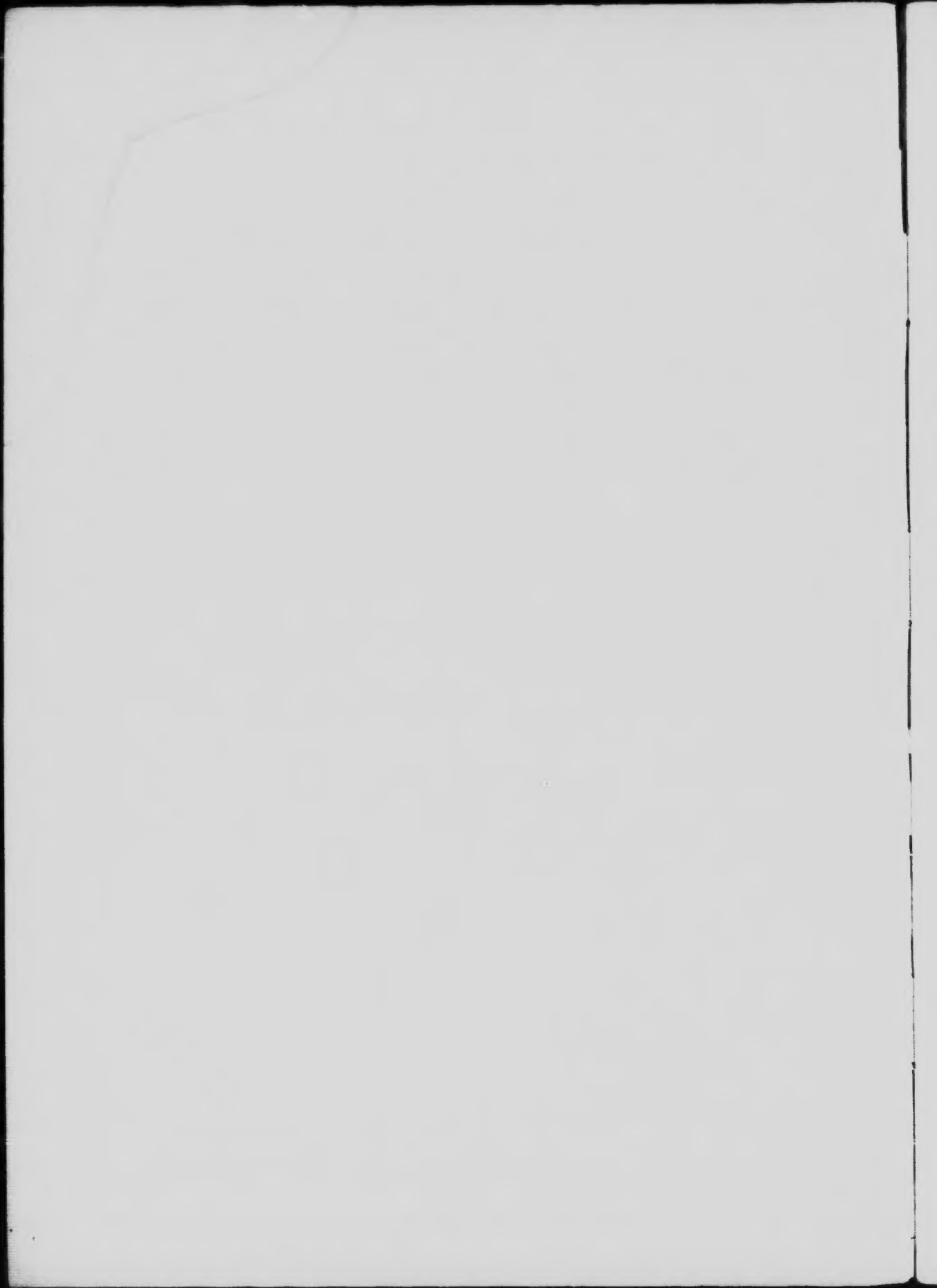
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PRESIDENTS' ANNUAL ADDRESS

By P. W. ELLIS.

To the Executive Committee and Members of the Canadian Manufacturers' Association.

IN response to the kind invitation of our Montreal members we are assembled here to report respecting the work of the past year, and to formulate the policy for the year we are now entering upon.

The annual meetings of the Association have formerly been held in Toronto, where its offices are located; however, it has been deemed desirable that these important conferences should now be held in different industrial centres, and it is most appropriate that this change of policy should begin with Montreal, for not only is Montreal the most populous city of our Dominion, but also our most important financial and industrial centre. It is the home of many of our largest and most representative manufacturing establishments, and the head of ocean navigation in the East. All Canadians take a pardonable pride in this city, around which cluster so many important events of our early history.

HISTORICAL PERIOD.

Since we last had the pleasure of meeting in annual session in the City of Toronto, many momentous events have taken place.

The past fifteen months have been especially eventful ones in the history of the world, and of the British Empire, notably: passing the threshold into the twentieth century; the death of our beloved Mother Queen, which has brought the Empire into a closer touch

by a greater bond of common sympathy; the accession of a king to the throne of the British Empire, a king of whom we may feel justly proud, for Edward VII is aptly described as the most popular man in Great Britain to-day; the Boer War, a fight for British liberty, in which the Sons of Canada and other parts of the Empire have taken such a creditable part, showing forth better than words their loyal attachment to the British throne; the confederation of Australian Provinces somewhat on the model of our Dominion; the occupation of China by allied troops representing seven different nations, the first occasion that the United States has been represented with European troops to settle an Eastern question; the most important financial and industrial event of the world's history, viz., the formation of the giant Steel Combine in the United States, which in its scope and vast capitalization has been fitly characterized as a challenge to the rest of the world; the tragic and deplorable death of one of the greatest of that country's presidents, President McKinley; the memorable visit to Canada of the Heir Apparent and his popular Consort, Their Royal Highnesses, the Duke and Duchess of Cornwall and York.

INDUSTRIAL PROGRESS

But I must not continue to discuss any one of these features that have so marked the political, social and commercial progress during the past year, but must rather devote myself to those matters on which, as P

dent of the Canadian Manufacturers' association, I have had exceptional opportunity of receiving information first hand; and I consequently turn to say a few words on the industrial and manufacturing progress of our Dominion.

In so doing, I feel that if there is one doctrine that we should emphasize at our annual gathering, it is the absolute oneness of the interests of all the great producing classes of this country.

We have heard of the evils of stirring up provincial, racial and other divisions, but is it not even more disastrous to stir up divisions on industrial lines? Can the Canadian farmer be prosperous when the mines are closed, when the fish catch is small, or when the factories are idle? Or, again, who feels the loss of a crop in Manitoba more quickly or more keenly than the manufacturer who has made goods for that market, the half of which he cannot dispose of, and on the other half of which he is unable to realize satisfactory payment? Thus, while there may have been times when certain persons have tried to stir up feeling between the different producing classes of Canada, let us hope that in the light of the past and present experience such policy is forever dead, and it devolves upon this Association, as an integral part of the great producing army of Canada, to assist in the education of the Canadian people as to the intimate relation that exists between the welfare of the farming, mining, fishing and manufacturing classes. We must seek by every possible means to obtain from the Canadian people, on whom our industries depend for their support, an intelligent interest in the great factories that employ our work-people and populate our towns and cities.

OUR MANUFACTURES.

How often do we hear that our manufactures are insignificant as compared with the other great interests of this country? How often do we hear that our exports of manufactured goods amount to only \$16,000,000,

a paltry 10% of the exports of the country? How often are we told that our exports require more assistance than those of any other class, and yet are the least important? But I have to-night a new phase of this question to present, when I emphasize the fact that our exports of manufactured goods comprise not merely 10%, but approximately 40% of the total exports of our country.

We have here an Association, to the membership of which there have been admitted those firms believed to be bona-fide Canadian manufacturing establishments, and I take the export of articles that are made by members of this Association. Thus, are not asbestos, mica and salt manufactured articles? Is not our canned fish a manufactured product? Is not our timber when sawn into deals, laths, planks, scantlings, box-shooks, barrel staves, etc., an item in the list of manufactured goods?—at least large factories employing many men, using millions of dollars of machinery, and paying large sums for factory insurance, are involved. Are not our canned meats, bacon, hams, etc., manufactured goods? If not factories what are we to call establishments like that of the Laing Packing and Provision Company, of this city? Are not our flour, oatmeal, etc., manufactured products? If not, how would you class an establishment like The Ogilvie Milling Company, also of this city? Hence I go through the list of exports, keeping always in mind the difficulty of drawing a hard and fast line between the manufactured article and the raw material. I have not included the output of the mine, when shipped in its crude state, nor of the forest when shipped as logs, poles, etc., nor of our fisheries when exported without further labor than the catching; nor even such products of the farm as butter and cheese, which may in the broad sense be regarded as manufactured articles, and are often made in large factories. In short, I include only those articles made in what we commonly regard as factories, using machinery and motive power.

I have no need to stretch the meaning of the term "manufacture," and yet I find that out of a total export of \$177,241,115 of all classes of goods last year, the exports of manufactured goods amounted to \$67,894,928 or 38.3% of the whole. Is this not significant? I will endeavor to show now what it means.

VALUE OF FACTORIES.

By the census of 1891, it is shown that 370,256 hands were employed to produce \$476,258,886 worth of manufactured products, that is one person for every \$1,286 worth of goods produced. If this same proportion holds true, we have 52,874 people in Canadian factories producing manufactured goods for foreign countries. If, then, as is generally supposed, one person in employment supports four others, we have 211,496 people supported in Canada by our export manufactures alone. But we always recognize that our export manufactures are only a small proportion of our total production. What this is will be shown by our census, the returns of which are now in process of preparation. To-night I can only approximate it.

Our export trade in manufactures has increased since 1891 by 106%. If our home production had only increased half this amount, then our total output would now be \$730,000,000. This illustrates to what a large extent Canadian manufactures have taken possession of the home market. We may emphasize this condition still further by our knowledge of the imports into South Africa prior to the outbreak of the present war. The imports there to supply some 800,000 whites and 3,000,000 kaffirs were as large as the imports into Canada to supply the numerous wants of over 5,000,000 highly civilized and prosperous inhabitants. What, then, does it represent if our output of manufactured goods last year amounted to \$730,000,000? It means the employment of approximately 575,000, and the support of 2,300,000 people.

Gentlemen, these figures amaze us, and

we can only await the announcement of the census returns to verify their correctness. From them it is seen that approximately two-fifths of the people of Canada are supported by our manufacturing industries. What this means, as compared with the export only of raw products, may be gained by a glance at our last census.

The value of the raw materials used by our manufacturers was approximately \$250,000,000, the value of the finished product \$4,600,000,000. In other words, the industries of the country were responsible for retaining \$220,000,000 of money within our own borders. Taking the figures of growth that we have already referred to, this would mean for the year in which we have already entered, that the manufacturing industries of Canada have been a net source of wealth to the country of approximately \$400,000,000.

IMMIGRATION.

And at this stage I wish to point to a feature connected with the immigration policy of our Government.

The Dominion Government, as well as the various Provincial Administrations, have been giving attention to the possibility of increasing the flow of immigration to our country, and rightly so. But, in so doing, they have pointed out only the value of Canada as an agricultural country, and the expressed opinion of some of the most prominent visitors from Great Britain to Canada during this year, has been that we can never expect any great flow of immigration to a country that is represented as purely agricultural. If we ever expect to direct a steady stream of population to Canada from the crowded industrial centres of Great Britain and the Continent of Europe, we must point out that there are wide and varied occupations in which they may find employment, that our industries and our commerce, our mining and fishing, also offered varied inducements for varied talents. But I must not dwell longer on this subject.

IMPORTANCE OF MANUFACTURING

What I have endeavored to emphasize is that the manufacturer in Canada is not a monopolist, robbing the classes whom he employs, or those to whom he sells, but in the great fabric of national greatness that we are weaving, he constitutes a part so important that no one, save the most earnest student of Canadian statistics, can well estimate. In my mind we have a right to expect that our public men, our statesmen, and our press will so far forget party strife in matters that vitally affect the industrial progress of our country, that they will endeavor at all times to support any policy that tends to our commercial advancement. This may be done in various ways. First, privately, by patronizing, so far as possible, home industries. By this I do not mean any narrow policy of buying only what we make, but the cultivation of national pride and confidence in our own products, and a willingness, other things being equal, to purchase that which is made in our own factories and by our own work-people. Dictates of self interest alone should justify this partiality.

ASSISTANCE OF MUNICIPALITIES.

The other method is by the aid of public policy. This is done in two ways. First, by bonusing industries by municipalities and towns, and, second, by tariff legislation. I think that there is no more striking testimony to the recognized value of manufacturing establishments to a country, than the willingness that appears in almost every town and city of our Dominion to assist by bonuses or the granting of special privileges, the establishment of some industry that will employ work-people and provide good substantial pay-rolls. In this we cannot too strongly condemn the foolish rivalry of certain towns which prompts them to outbid each other for the establishment of an industry already located in another town. Benefit secured in this way is almost always over-balanced by the injury wrought. The policy of creating local well-being at the

expense of one's own neighbors is strongly to be deprecated.

TARIFF LEGISLATION.

Still another method of encouraging the development of our industries is the undertaking of it, not as a local question, but as a Dominion and national one through tariff legislation. On this great question I do not propose to say much. I believe that all the thinking people of Canada, the men who have her national progress at heart, breathe easier to-day when the tariff question is not a main feature of party politics. I believe that I voice the sentiments of the Canadian people in saying that in matters that are so sensitive and so nicely balanced as trade, where so much depends on mutual confidence and good faith, the less that trade questions become the dividing line in party politics the better for our country. Were it not that as a people we are jealous of seeing governmental rights transferred from us, we would gladly place such questions in the hands of a strong and impartial commission for administration.

We have to-day what may, I think, be fairly called a moderate tariff, one to which no section of the community with the well being of the whole at heart, can take exception, for all must admit that in a new country, capital will not invest itself in manufacturing unless it has some assurance that it will not be swamped by the manufactured goods of older countries who produce for a larger market. The situation of Canada is striking in this respect, on account of its geographical position so contiguous to the great manufacturing Republic to the south of us. Under a practically prohibitive tariff, the manufacturing establishments there have reached a stupendous magnitude. We are so close to them that many of their centres are nearer to consuming points in Canada than our own industrial cities of Montreal and Toronto. Our styles in all lines are identical with theirs, and our market is suitable in every respect for any of their surplus production. These, and other conditions, generally

make me feel positive in the statement that even the most ardent free trader must feel that we have now moved just as far in the direction of free trade as is possible until the growth of our population provides a home market sufficient to develop our industries to a competitive level.

RECIPROCITY WITH THE UNITED STATES.

This brings me to the much talked of question of reciprocity—I mean much talked of in the United States, for I think that the cry fails to find a responsive chord in Canada at the present time. Without endeavoring to stir up the question, I believe the feeling in Canada to-day to be, that if we begin to talk reciprocity with the United States, the United States will reciprocity us out of business. Why this feeling? It is because the people of Canada feel that any substantial advantage to them would be contested, while every effort would be directed towards securing a freer access to our market. The people of Canada are not ignorant, they read and study. They see that our imports last year from the United States were \$119,306,000, while the exports to them of our products, not including precious metals, were less than \$44,000,000. While the United States has large cities that should be a market for our farm produce we find that we imported more than twice as much of their farm produce as they did of ours. Is this satisfactory? No, and, gentlemen, I am much mistaken if there is not in Canada to-day a strong feeling in favor of terminating this most unsatisfactory arrangement whereby their goods have an easy access to our market and ours are practically excluded from theirs. What seems to be the only way open is the adoption of a different kind of reciprocity than that proposed by our friends to the South, viz.: A reciprocity tariff, placing ours on a level with theirs. Our farmers see that we purchase some \$60,000,000 of manufactured goods, two-thirds of which could be made in Canada. While this vast volume of the product of United States labor is purchased

by us, the producer of food in Canada is practically prohibited from selling food products to the United States laborers who make the goods that he purchases. Some are not slow to reason that were these goods made in Canada, our farmers would be called on to supply every kind of food product required for a new Canadian city not less in size and numbers than the present city of Toronto.

The manufacturers do not seek to foment trouble, but I am confident that before we can ever hope to gain from the United States any favorable access to their market, we must first assume, not a defiant or hostile attitude, but a determined, manly, national spirit, and show to them that we propose to guard our own interests first, last and always. This makes me feel that before any reciprocal arrangement is possible, we must adopt a scale of duties against their goods that will have the same effect as theirs has at present on ours, and by this means alone I think it possible to have the United States extend to us the reciprocal arrangement that will give us the benefit our people desire.

PREFERENTIAL TARIFF

But I must turn now to a country with which our trade relations are more pleasant, Great Britain. The original preferential tariff subsequently increased to 33⅓% was a change in our fiscal policy which was much more likely to affect our manufacturers than any one class, and that they accepted the same without any determined protest speaks volumes for their loyalty and attachment to the British Crown. They understood it as a move intended to improve the feeling of the British people towards Canada, a feeling which it was hoped would show itself in larger purchases of our great output of farm products. While many manufacturers felt strongly that sentiment of this kind influenced business only to a slight extent, and while they pointed to the fact that Great Britain never entertained more friendly feelings to the United States than now, when her tariff is as nearly prohibitive as it is

possible to make it, still they made no protest, feeling that if this policy assisted in developing a market for our farmers, and at the same time became the means of eventually obtaining some substantial advantage in the markets of the sister colonies and Great Britain, we would have little to regret. At the same time I am sure it is the opinion of Canadian manufacturers that the duty of the Government is to legislate, first for Canada, and for Great Britain afterwards; in other words, that the preference should give the British manufacturer a substantial advantage over his foreign competitor, but not over the Canadian, and, that when any Canadian industry has suffered, attention should be given promptly and fairly. This is only just to the men who have invested their capital in such particular industries. And I am one of those who believe that we render the greatest service to the Empire to which we belong when we take measures to develop our own strength and resources rather than handicap any section of our own people to give a trade advantage to any section of the British trading community. We strongly commend the policy of stability in tariff legislation, but, at the same time feel that from time to time attention should be given in a thorough way to this question in order that measures may be taken to meet any new difficulties that may have resulted from changing conditions.

RECIPROCAL TRADE RELATIONS.

In concluding this reference to tariff matters, it is well to refer to the strong feeling that I believe prevails among the manufacturers of Canada in favor of obtaining, if possible, some reciprocal trade arrangement between our country and the other sister colonies, as well as Great Britain herself. While we recognize the difficulty attending the bringing about of such an important matter, and the diplomatic rules that have to be observed, we would strongly urge our Government to keep this matter ever in mind, and to take every fair opportunity to press forward towards its accomplishment.

GENERAL TRADE CONDITIONS.

As President of this important Association, it is a pleasure to note the gratifying increase in the exports from our country. Last year our total exports amounted to \$177,241,115, the highest ever reached at any time in the history of Canada. Our exports for the three months of July, August and September, just closed, amounted to \$50,134,195 and from these I am pleased to note a satisfactory increase in the export of manufactured goods above those of the corresponding period of last year. This growing export trade strongly confirms me in the view that the unprecedented activity in all lines of manufacture and business generally has been sound and healthy and that so far we have no reason to anticipate any speedy relapse or depression. Our bank returns also indicate the same feature. In the month of September, just closed, for which the banking returns have been issued, we show several new records in banking statistics for Canada. In that month the total net circulation amounted to \$56,000,000, which is within \$11,000,000 of the total circulating power of our Canadian Banks.

ADDITION OF NEWFOUNDLAND.

As manufacturers, too, we have noted with considerable satisfaction the renewed interest in the question of confederating Newfoundland with the Dominion of Canada. While many of us are not in a position to go into all the political aspects of this question, we would, as producers, gladly hail the incorporation of the Island of Newfoundland as a part of the Dominion bringing it under our tariff laws, and opening to us a market which is at present very largely supplied by the United States.

EDUCATION.

During the past year there have been many evidences of development in manufacturing which have not appeared on the surface. I believe that there are no more wide awake business men in Canada than those that we have with us in manufacturing. I would illustrate this from the interest that

was taken through our Association in the question of "Higher Education."

The Association's influence has been largely instrumental in creating a greater interest in industrial life in our universities. The School of Practical Science in Toronto is now an integral part of Toronto University, and constitutes the faculty of applied science. The liberal appropriation of the Ontario Government towards the enlargement of the School of Practical Science, and the laudable efforts of the Minister of Education of the Province of Ontario in technical education give evidence of the public interest in more practical education. Manual Training Schools are being located at different points, owing to the practical liberality of Sir William C. McDonald, of Montreal, a member of this Association.

It is technical and commercial education that has placed Germany in the position of a dangerous rival to Great Britain, and there is need for energetic action to face the keen and growing competition of industrial countries, such as Germany and the United States, countries which have given attention to practical, as well as theoretical education.

One proof that our people are eager for a more scientific knowledge of their special trades is that there are 25,000 Canadians receiving instruction by mail through the United States National Correspondence Schools. This indicates that our artisans feel the need of a more practical education.

Capable, well trained men, are as important in business as in professional life. The great majority of students in the past have gone into the so-called learned professions, but, if I can read the tendency of the times aright, a much greater proportion will enter commercial life in the future. Why should not the student, if he chooses, instead of confining himself to theories and economic conditions of days long past, devote himself to the study and solving of the great vital problems of our own time and country? Modern conditions are such that men must be trained to handle large matters, and select the raw and file to

attend to smaller details. They must be able to organize, arrange the division of labor, grasp and understand opportunities, and nowhere should the liberal and broadening tendencies of our industrial life be better assisted than in the colleges of our Dominion.

The field of industry will never be fully occupied, but will always offer rewards to the right kind of ability.

It is true our country presents great natural advantages, but, without the inventive skill and its intelligent application, backed up by enterprise and energy, we shall fall in the scale of nations, for the survival of the fittest is a law which never changes.

SKILLED ACCOUNTING.

I wish to emphasize the importance to our manufacturers of having skilled accountants. In our offices we are accustomed to obtain the best help available to keep our accounts, regulate our credits, and attend to our banking: though often—too often—this help is not as skilled and as highly trained as it should be: but, in the factory, where we deal with materials, time, machinery, waste and wear and tear, all representing money, the same regard for skilled help as a rule is not observed, and indeed the services of skilled accountants, capable of following all these items accurately, and of formulating reliable cost accounts, are difficult to obtain. In these days of keen competition it is highly important that the manufacturer should know, to the fraction of a cent, the cost of his goods.

TRADE AND NAVIGATION RETURNS.

At the same time we have given close attention to the securing of reliable information for our members upon the progress of trade in which they are interested. Through representations made to the Government by our Association, it was decided to issue a monthly trade and navigation report, classifying the exports and imports under some 1,400 headings. The reports are issued

shortly after the close of each month, and are a credit to the Department of Customs by whom they are issued. I commend this Blue Book to the study of every member, in order that he may inform himself promptly as to what extent his foreign competitors are taking possession of the Canadian market, and at the same time I desire to praise the Government for their prompt action in this matter.

We also hope, in the offices of our own Association, to give special care to the working out of such statistical information as may be of practical advantage to our members.

CHEMICAL INDUSTRY.

In the same line I would point to the success that has recently attended our efforts in the formation of a Canadian Section of the Society of Chemical Industry. This important Society, with headquarters in Great Britain, publishes a journal full of most valuable information for every class of manufacture into which industrial chemistry enters. The formation of a Canadian Section, whose membership is composed both of practical manufacturers and of the teaching chemists of our country, will afford many opportunities of discussing questions that should greatly affect the cost of production in many important lines of Canadian goods, and the utilization of various classes of waste material. The formation of this Society is to be regarded as one of the important features connected with the work of our Association during the past year.

LABOR QUESTION.

Another important topic on which I might be expected to say a few words is the relation of our Association and our members to the Labor Question and the Labor Unions of Canada. At the outset let me say that our Association has never had any connection with labor questions as such, that we have no organization for industrial warfare, and that in the past our relations with labor organizations have been most cordial. We must deplore, however, the occasional strikes

that have occurred during the past year, and we believe it to be important that all possible provisions should be made to prevent these ruinous contests, which injure employers and employees and entail heavy loss on the general public as well. The practical question of improving this situation is a most difficult one. We hear much to-day of compulsory arbitration and its operations in New Zealand. While this matter has never been discussed at any of our meetings, I am sure that the members of our Association would view with alarm any hasty experimental legislation along these lines. The great difficulty attending the securing of impartial arbitrators, who are also competent to judge of the merits of questions at issue, and the still more serious difficulty of enforcing decisions in a country like Canada, so contiguous to the manufacturing Republic to the South, should cause hesitation. There are very conflicting opinions expressed as to the working of this system in New Zealand, and it is well to note that even a successful operation in that country would not guarantee any success here. New Zealand is a country at least a week's sail from any neighbor. It is entirely self contained, and its problems are mixed up in no way with any other country. Here in Canada, however, the case is entirely different. We are so close to the United States, and our questions are so interwoven with theirs, that the adoption of any similar policy here might have serious effects. I feel, therefore, that it would be little short of an industrial misfortune if any aggressive legislative policy were adopted by our Government while the success would be, to say the least, highly speculative.

There are one or two features in connection with Trade Unionism, however, that we must deplore to-day. One is the policy of some international trade unions, which have declared industrial strife in Canada at the incentive of organizations whose headquarters are situated in the United States, and whose interests are entirely opposed to the furtherance of the industrial progress of Canada. The other is the growing tendency of certain

unions to claim privileges relating to the government of businesses which practically mean the handing over of the management by those who have the responsibility to those who have not. It will ever be the aim of this Association to assist in the promotion of the very best feeling between master and man, and to encourage among our members, as much as possible, a policy of liberal treatment of their work-people, but the labor question is at present no part of our work. Should any occasion arise, however, that might check Canadian industrial development we could not stand aloof.

TRANSPORTATION.

But to turn to a new subject. There is no matter of more vital interest to our manufacturers to-day than the question of transportation, and we commend to the earnest attention of the Government the careful consideration of the best means of extending our transportation facilities. As yet only a very slight proportion of the produce of the farm, the forest, the mine, and the factory find their way to consuming markets abroad through Canadian channels. We commend to the attention of the Government the encouragement of Canadian shipping from Canadian ports, and with it also the encouragement of Canadian shipbuilding. There is no industry that requires the product of so many different classes as ship-building, and any aggressive policy in this direction should commend itself at once to the attention of the whole Canadian people.

EXHIBITION.

We would at the same time praise the active interest taken by the Government during the past year in assisting Canadian export trade by the handsome exhibits provided at the Glasgow and Pan-American Exhibitions. The expenditure involved at both these Exhibitions will, we believe, many times over repay itself to Canada during the next few years.

MEMBERSHIP AND INFLUENCE.

But I must now say a few words about

the Association over which I have had the honor of presiding during the past year.

We started the past year with a membership of 342, and I am pleased to announce to-day that we enter the new year with a membership of over 825. This increasing membership is widening the influence of our Association, which is continuing to attract members by the vigorous and aggressive manner in which it applies itself to all matters affecting manufacturers. We may now fairly claim that we represent the widest expression of industrial public opinion.

The serious consideration that has been given to the suggestions of this Association by our Legislators will give added strength and influence. Our increased membership supplies us with the funds necessary to continue the work with energy, to employ a competent staff, whose entire time is devoted to the interests of our members, and to provide roomy and well equipped general offices. I must here testify from personal observation to the large amount of time devoted, and valuable work accomplished by the Executive and other committees of our Association, whose voluntary service speaks volumes for their public spirit, interest in, and attachment to the Association. The reports of the various committees, which will be placed before you, will review at some length the work undertaken, and what has been accomplished.

GENERAL OBJECT OF THE ASSOCIATION.

The general object of the Association, first and foremost, is to serve our country faithfully and loyally, and, so far as is consistent with this, to help each other in the promotion of our manufacturing industries, and according to our By-Laws 1 and 2.

1. To secure by all legitimate means the aid of both public opinion and Government policy in favor of home industries and the promotion of Canadian manufacturing enterprises.

2. To enable those engaged in all branches of Canadian manufacturing enterprises to act

in concert, as a united body, whenever action in behalf of any particular industry or the whole body becomes necessary.

It is also our purpose to bring into harmony the views of our manufacturers from all parts of the Dominion. We must meet together in a spirit of mutual concession that we may aim in obtaining the objects of the Association with oneness of purpose. In all our transactions, we know no party; the Association is absolutely non-political and non-partisan, devoting all its energies to advancing the industrial interests of the Dominion.

ORGANIZATION.

Our Association is now thoroughly organized. We have the Central Executive Committee, on which are representatives of every section of the Dominion, and we have as well local and provincial branches organized to take up questions of local and municipal interest. We also have various committees who give careful attention to the working out of those matters which relate to the important subjects allotted to them. The Association has nothing to do with prices or combinations to affect prices, but aims only at acting together to show the direction of Canadian industrial opinion, and to advance the manufacturing interests of our country.

TRANSPORTATION COMMITTEE.

Our Railway and Transportation Committee has important work before it. While it is our aim not to constitute it as a merely grievance committee, we have from time to time been instrumental in securing the redress of certain grievances which could not otherwise have been as well provided for.

PARLIAMENTARY COMMITTEE.

Our Parliamentary Committee also has important work before it. Our large financial transportation and other co-operate interests are represented at Ottawa by able agents well qualified to place before our representatives the views of those important interests. The manufacturers of Canada should also be represented by one

capable of imparting reliable information to the members of Parliament, that they may deal with questions affecting the industrial interests of Canada, and be fully acquainted with our side of the question, which has not been altogether the case heretofore.

TARIFF COMMITTEE.

The Tariff Committee seeks to take an unprejudiced view of the request of our members for changes in the tariff legislation. It endeavors to reconcile the interests of different classes of manufactures, and to arrive at a basis that will be satisfactory to the different interests involved. The work is of the very greatest value, and from time to time is of considerable use to the Government.

COMMERCIAL INTELLIGENCE COMMITTEE.

Our Committee on Commercial Intelligence was organized for the purpose of investigating special questions relating to the interests of manufacturers, the development of our export trade, and other important matters.

EXPORT TRADE AND TRADE INDEX.

I would refer also to the important work undertaken by the Association in connection with export trade. Last year we issued the Canadian Trade Index, which is a classified directory of the membership of our Association, published in English, French and Spanish. 15,000 copies of this work have been distributed, advertising our members and their products to one another, and also to buyers outside of Canada. We cannot well conceive the vast amount of good this will do, for already hundreds of enquiries have poured into the office as a result, and many firms have reported new trade connections obtained through this medium.

We have appointed correspondents in various foreign countries to post us on trade conditions there. We have advertised in foreign journals that we will furnish any information with reference to Canadian trade,

and every foreign mail brings enquiries for different classes of goods. These are at once communicated to our members by special bulletins, and afterwards published in "Industrial Canada."

GENERAL INFORMATION.

At the office of the Association there is kept on file as complete lists of foreign tariffs, freight charges, etc., as possible, for the information of our members. We have obtained exhibits from some foreign countries showing the products that can be exported to Canada, and also the class of manufactured goods that they purchase. We have arranged to obtain reliable confidential reports on the standing of foreign firms at the minimum of cost. As a result of this work, I am able to report that over forty firms have arranged for the representation of goods outside of Canada through the direct efforts of the Association.

DEATH OF MEMBERS.

In closing, I must refer to the breaches that have been caused in our membership through death during the past year. These have been not a few, and we have from time to time chronicled the death of members in almost every Province of the Dominion. I cite to-day the especially sad circumstances attending the death of one of our esteemed members, who was to have taken an active part in this Annual Meeting. I refer to Mr. Walter E. H. Massey, President of the Massey-Harris Company in Toronto, one of our best members, and Vice-Chairman of the Agricultural Implement Section of this Association. In Mr. Massey, Canada has lost one of the most enterprising of her sons.

CONCLUSION.

As Canadians, we are justly proud of our country, and impressed with the vast possibilities of the future, varied as they are great. No one can travel from the Atlantic to the Pacific without being impressed with its

magnitude and possibilities; greater than ever, when we realize that the line of travel is along the southern edge, and that to the north of this line exists a yet finer and richer territory of enormous extent, almost unknown to the farmer, stock-raiser, miner, or lumberman, and containing all the elements of future prosperity in every line of business industry.

It is good that our manufacturers should come together from all parts of Canada—make each other's acquaintance—learn each other's views, and profit by each other's experience. Let each work for the Association and the Association work for each. It is of value to the largest manufacturer and the smallest. We must keep before us the importance of producing for ourselves, manufacturing for ourselves, and carrying for ourselves to the fullest extent of our possibilities. Review any of our leading manufacturing establishments to-day, then look back, ten, twenty and thirty years ago, and observe their small beginnings, trace their growth, and which of us will say they have reached their limit? Who will deny the great opportunities before us? There is a wide field open in every direction to the enterprise of our people. We are more interested in the future than in the past. Then let us be hopeful, accept the fullest measure of our responsibilities, and carry with us at all times that which is more potential than money, viz. commercial honor which brings credit. It would not be just to the members of this Association, nor to our esteemed Secretary, were I not to strongly emphasize his loyal attachment to your interests. The present proud position of the Association is largely due to his earnest, consistent work.

In conclusion I must express my gratitude for the pleasant associations I have enjoyed with you, and the hearty and disinterested assistance you have given me. I shall ever look back on the past fifteen months as one of the most profitable and enjoyable periods of my life.

THE WOOLLEN INDUSTRY

Address by C. I. ALEXANDER.

MR. CHAIRMAN AND GENTLEMEN—Perhaps before laying my views before this numerous and influential meeting, it may be as well to explain how I come to take such an interest in the Woollen Industry of this vast Dominion affiliated by so many ties of interest and sentiment to the Mother Country.

For over forty years I have been engaged actively in business, both as a merchant and manufacturer, in Scotland, and it has been my privilege to represent the South of Scotland Chamber of Commerce as President, and as a fellow of the Associated Chambers of Great Britain and Ireland, in which capacity I was sent to advise with Parliamentary Committees on tariff questions, and had the opportunity of meeting the best and brightest minds in the commercial and political world, and here I may state that the free trade policy was the general sentiment of the Associated Chambers, although we are not without a minority who were strongly protectionist—for myself, I was then, and am still, quite clear as to the free trade principle being for the best interests of Great Britain. So that in coming to this side of the Atlantic, I came as a free trader; and for some years before my eyes were opened by the X rays of practical demonstration, I advocated the free trade policy. My object in telling you this is to show you how strong and clear must have been the practical facts which there was no gainsaying, to have converted a bred-in-the-bone Cobden and Bright free trader like myself. I lived in

the States when the first McKinley bill was in force, also under the reduced Wilson tariff, and having had exceptional opportunities of observing the workings of these different measures designed for the advancement of the various industries of that country, I am now of the settled conviction that a tariff that does really protect is under the conditions there and here existing absolutely necessary, and has had the effect of bettering the condition of all classes and raising the standard of living, especially for working men.

Under the reduced Wilson Tariff all domestic industries suffered. Foreign importations increased and domestic manufacturers were displaced; whilst under the Dingley Tariff, foreign importations were checked, and correspondingly domestic manufacturers took their place, and, as a result, houses that formerly dealt exclusively in foreign goods were glad to substitute domestic in their place; and further, under this fostering influence American manufacturers improved in the style and quality of their product, and by ensuring to the manufacturer their home market in its entirety, increased production has enabled the manufacturer to keep prices on such a level as to make their prosperity no burden to the rest of the community.

This point, I want to emphasize and drive home, as it is self-evident to everyone who has ever been engaged in the manufacturing industry.

In other words, instead of a mill having to offer, say, 500 styles to keep the

machinery going, they are enabled, with a larger market, to run on fifty styles and hence at a greatly decreased cost of production.

The object of protection is not to increase prices, but by getting our own home market to reduce them, and this has been the effect in the United States where domestic competition has kept prices at the lowest level, and has enabled them to invade the markets of the world.

I have official figures from the U. S. Treasury Department at Washington giving the imports of woollens for year ending June, 1901, which for a population of over 70 millions amounts to \$14,000,000; and I have also the official figures for Canada from Ottawa, which are given at ten millions for your population of less than six millions. Thus Canada imports of foreign manufactures of woollens at the rate of one dollar and sixty cents for each man, woman and child, whereas the United States for its vast population imports only at the rate of 20 cents per head; or in short Canada imports eight times per head what the United States does.

The development of your home industries is by far the most potent factor in giving you an increase of population. You cannot have a greater object lesson than that you have in the States. There you find high protection, unbounded all-round prosperity, and every year swarms of emigrants entering her domain, attracted by high wages, consequent on the development of her industries and resources.

RESOURCES ARE GIFTS — INDUSTRIES ARE CREATIONS.

Now, with you in your vast Dominion with boundless territory and resources by river, lake, sea and land, with the greatest forests in the world, a climate in great part the most healthy and enjoyable in all the King's vast realm, the first thing to see to is what is within your own power, and what lies in your hand. This claims your first attention,

that is, see your home industries are kept effectively protected, and that what now goes to the foreigner is kept in your own midst and so encourage emigrants of skilled labor to come to your shores and build up your country.

I want to point out also that this is one means of stopping the depletion of the best blood of your country, who with no openings here are tempted to take their energies and allegiance over the border. I had a conversation with one of the oldest and most influential of your citizens of Toronto. He said: "It makes my heart sore to find our young men, well educated and well trained, stalwart fellows, going over to build up the States, instead of remaining in their own land, making it almost a breeding ground for a rival nation."

Prosperous industries afford openings for the vigorous, healthy sons of your farmers, and additional population earning good wages, provides also a home market for your farmers' produce. Indeed, I know of no class of the community who would benefit more by thriving industries than the farmers themselves.

Of imported woollens I would ask: Does your farmer get any market or demand for his wool? Not one ounce, whereas by having such wool manufactured here he can increase his flocks and find a home demand made to his hand. Now I come to the preferential tariff, which has hit and is hitting the woollen manufacturer so hard. England stands pre-eminent the world over in its manufactures of woollens, and in conceding this preference it has been granted to your greatest competitor, and for which you cannot point to one particle of reciprocal advantage.

But whilst, as an expert in woollens, having handled, bought and sold them since I was fourteen years of age, and consequently my remarks have had more particular reference to the hardship under which your woollen manufacturers labor, I want to say that I am in the heartiest accord with adequate protection being given to all the indus-

tries of the Dominion. *I say the preferential tariff has hit the woollen trade hardest of all.* Other industries of Canada, say, furniture, pianos, organs, agricultural implements, boots and shoes, may not have been so hit, but suppose a preference at $33\frac{1}{3}$ per cent. had been given to the United States, their greatest competitor, how would it not have imperilled, if not extinguished their industries. Such, however, is the hard case of the woollen industry, against which they are making a gallant though up-hill fight, under great discouragement.

Now gentlemen, I am in great hopes that with a Government in power at Ottawa that are realizing the beneficial and wise policy of granting favorable concessions in grants of free lands to settlers in the West, and also in giving all encouragement to the steel and iron and mining industries, both by bounties and concessions, I say I am in great hopes they will see their way clear in some practical way also to help one of the oldest industries in the Dominion and set it on the road to a deserved prosperity.

Of course, there is the sentiment of loyalty. Now, in loyalty to the Mother Country, I stand second to no man living. I have taken the oath of allegiance as a volunteer when fear of invasion stirred the manhood of my native land, and have had the honor

of being presented to the illustrious Sovereign, her late Majesty; so that in what tends to the unity, extension and strengthening of the Empire, I am with you heart and soul.

Although for Imperial federation, neither the hour nor the man has come.

But when the Rose and expectancy of this fair State, the observed of all observers, with his future Queen passed through on his world-tour, my heart swelled with emotion to see the spontaneous ebullition of loyal feeling that on all sides gave them warm and welcome greetings.

But whilst we are all sincerely loyal, that does not mean that Canadian interests are to be sacrificed to that of the Mother Country, and I am sure the Government of Great Britain does not wish it either. What Britain wants to see and what you want to see is on this side a great, a growing dependency filling up with a population of our own tongue and breed, and retaining your own sons and people under the proud flag of the Maple and Union Jack.

Then should storms ever arise around our much loved Isle, a population increased by wise legislation to ten millions, will form the pride and glory of the Empire, and such a buttress as will keep her where she now is, the head of the nations of the world and the Mistress of the Seas.



